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## FISCAL IMPACT REPORT

SPONSOR Nunez DATE TYPED 01/26/05 HB 90

SHORT TITLE NMSA Agriculture & Horticulture Research SB \_\_\_\_\_

ANALYST Woods

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$394.0			Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to the appropriation for New Mexico State University in the General Appropriations Act.

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico State University (NMSU), College of Agriculture and Home Economics (CAHE)  
 New Mexico Commission on Higher Education (CHE)

### SUMMARY

#### Synopsis of Bill

House Bill 90 – Making an Appropriation to New Mexico State University to Conduct Research on Sustainable and Organic Agriculture and Horticulture – appropriates \$394,000 from the general fund to the Board of Regents of New Mexico State University in FY06 to investigate long-term organic, biological control, and precision agricultural technologies. Any unexpended or unencumbered balance remaining at the end of fiscal year 2006 shall revert to the general fund.

#### Significant Issues

NMSU-CAHE indicates that natural biological control and precision agricultural technologies will be combined to offer crop, nursery, range, and urban pest and weed controls that are safer, less expensive, non-polluting, and adaptable to organic, high-return agriculture.

## **PERFORMANCE IMPLICATIONS**

NMSU-CAHE notes that new technology has greatly enhanced the ability to carry out the biological control of invasive insects, weeds and plant pathogens, and implementation of organic agriculture; however, application of these technologies requires a long term commitment of resources at some level, to ensure a smooth progression of research and applications of this technology to the public.

## **FISCAL IMPLICATIONS**

The appropriation of \$394,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

## **ADMINISTRATIVE IMPLICATIONS**

NMSU-CAHE will retain oversight of this program.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Relates to the appropriation for NMSU in the General Appropriations Act.

## **OTHER SUBSTANTIVE ISSUES**

NMSU-CAHE suggests that this program could generate economic returns in two principal areas:

- lower agricultural, urban pest control, nitrogen, and water costs; and
- access to organic, high return markets. This would be a particularly viable area if American agriculture loses subsidies, as New Mexico growers could still maintain economically viable operations by accessing organic niche markets.

This request was not in the list of priority projects submitted by New Mexico State University to the Commission on Higher Education for review. Consequently, this request was not included in the Commission's funding recommendation for FY06.

## **ALTERNATIVES**

The CHE advises that higher education institutions receive indirect cost revenues from federal contracts and grants. Further, that this money is unrestricted in the sense that the governing board of the institution has the flexibility to choose which projects are supported with these funds. One of the purposes of retaining these funds is to provide seed money and matching funds for projects such as the one proposed in this bill.

**BFW/lg**